

WORLD TRADE ORGANIZATION

G/L/319
20 September 1999

(99-3847)

Committee on Trade-Related Investment Measures

REPORT (1999) OF THE COMMITTEE ON TRADE-RELATED INVESTMENT MEASURES

I. GENERAL

1. This report is submitted pursuant to Article 7.3 of the Agreement on Trade-Related Investment Measures, which requires the Committee on Trade-Related Investment Measures to report annually to the Council for Trade in Goods. The Report covers the period October 1998-September 1999.¹

2. The Committee met on 8 March and 13 September 1999 under the chairmanship of Mr. Dimitrij Grar (Slovenia) and Mr. Leo Palma (Philippines), respectively. The minutes of these meetings have been circulated in documents G/TRIMS/M/10 and 11. The meetings of the Committee were open to Members, governments with observer status in the WTO and international intergovernmental organizations to which the Committee has accorded regular observer status (IMF, OECD, UN, UNCTAD and World Bank). Decisions on requests for observer status from several other international organizations are pending.

II. IMPLEMENTATION

1. Article 5.1 of the Agreement on Trade-Related Investment Measures requires Members to notify any trade-related investment measure ("TRIM") inconsistent with the Agreement within 90 days after the entry into force of the WTO Agreement. Article 5.2 of the Agreement gives the benefit of transition periods for the elimination of measures notified under Article 5.1 and which were in existence at least 180 days preceding the entry into force of the WTO Agreement. Pursuant to a decision adopted by the General Council in April 1995, governments eligible to become original WTO Members that accepted the WTO Agreement after 1 January 1995 had a period of 90 days after the date of their acceptance of the WTO Agreement to make the notifications foreseen in Article 5.1, provided that the period for the elimination of TRIMs notified under Article 5.1 continues to be governed by reference to the date of entry into force of the WTO Agreement itself.²

2. Annex 1 contains a list of all notifications of measures under Article 5.1.³ In the case of some Members, notifications have been submitted later than the 90-day period foreseen.

¹ The previous annual report is contained in document G/L/259 of 23 September 1998.

² WT/L/64.

³ Notifications under Article 5.1 circulated in 1995 have been derestricted since 28 May 1996. Following the decision taken by the General Council on 18 July 1996 on derestriction and circulation of WTO documents, documents containing notifications under Articles 5.1, 5.5 and 6.2 are issued unrestricted. Members may, however, at the time of the submission of a document, indicate to the Secretariat that the document be issued as restricted if they so wish.

3. While there is no obligation to do so, some Members have notified the Committee that they do not apply any TRIM inconsistent with the Agreement. During the period under review, such notifications were made by Bolivia and New Zealand. Annex 2 lists all Members which have made such notifications.
4. Clarification or additional information of a factual nature has been sought with respect to some of the Article 5.1 notifications. Written questions have been submitted in documents G/TRIMS/W/10 and 13, and replies by some Members have been circulated in documents G/TRIMS/W/16 and G/TRIMS/W/17. Information has been sought by some Members on steps taken by developing-country Members having made Article 5.1 notifications to comply with their obligation to eliminate notified measures by the end of the five-year transition period specified in Article 5.2. Other Members have indicated that in their view the Agreement does not require Members to provide such information. As of September 1999, three Members had provided such information.
5. Statements were made concerning possible requests for the extension of transition periods under Article 5.3.
6. The Committee continued to discuss measures introduced by one Member at the end of 1997 which, in the view of some Members, were in conflict with the requirements of Articles 2, 5.2 and 5.4 of the Agreement, but which, in the view of the Member applying them, were justified under Article 4 of the Agreement.⁴
7. Article 5.5 deals with the conditions under which, during the transition periods stipulated in Article 5.2, Members may apply TRIMs notified under Article 5.1 to new investments. While a standard format for the submission of notifications under this provision has been adopted by the Committee (G/TRIMS/3), so far no such notifications have been made.
8. A number of Members have submitted notifications as required under Article 6.2, which provides for notification to the Secretariat of publications in which information on TRIMs can be found. A list of these notifications has been circulated in G/TRIMS/N/2/Rev.6. Annex 3 lists the Members which have submitted such notifications.
9. At an informal meeting held in March 1999, the Committee had a preliminary exchange of views on the question of when and how the review of the Agreement under Article 9 should be initiated. The Chairman of the Council for Trade in Goods was briefed on this informal discussion.
10. During the period covered by this report, the Committee was informed of the initiation of three proceedings under the Dispute Settlement Understanding which referred *inter alia* to the TRIMs Agreement, as reflected in G/TRIMS/D/13-15.

⁴ Written questions on these measures submitted by one Member have been circulated in documents G/TRIMS/W/11, 12 and 13 (in part). Responses to these questions have been circulated in documents G/TRIMS/W/15 and 16.

ANNEX 1

Members which have Submitted Notifications under Article 5.1 of the Agreement on Trade-Related Investment Measures

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Argentina	G/TRIMS/N/1/ARG/1	30 March 1995
Argentina	G/TRIMS/N/1/ARG/1/Add.1	21 March 1997
Barbados	G/TRIMS/N/1/BRB/1	31 March 1995
Bolivia ¹	G/TRIMS/N/1/BOL/1	24 June 1998
Chile	G/TRIMS/N/1/CHL/1	14 December 1995
Colombia	G/TRIMS/N/1/COL/1	31 March 1995
Colombia	G/TRIMS/N/1/COL/1/Add.1	4 June 1995
Colombia	G/TRIMS/N/1/COL/2	31 July 1995
Colombia	G/TRIMS/N/1/COL/2/Corr.1	30 September 1996
Costa Rica ²	G/TRIMS/N/1/CRI/1	30 March 1995
Cuba ³	G/TRIMS/N/1/CUB/1	18 July 1995
Cyprus ⁴	G/TRIMS/N/1/CYP/2	30 October 1995
Dominican Republic	G/TRIMS/N/1/DOM/1	26 April 1995
Ecuador	G/TRIMS/N/1/ECU/1	20 March 1996
Egypt	G/TRIMS/N/1/EGY/1	29 September 1995
India	G/TRIMS/N/1/IND/1	31 March 1995
India	G/TRIMS/N/1/IND/1/Add.1	22 December 1995
India	G/TRIMS/N/1/IND/1/Add.1/Corr.1	18 March 1996

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
India	G/TRIMS/N/1/IND/1/Add.2	11 April 1996
Indonesia	G/TRIMS/N/1/IDN/1	23 May 1995
Indonesia	G/TRIMS/N/1/IDN/1/Add.1	28 October 1996
Malaysia	G/TRIMS/N/1/MYS/1	31 March 1995
Malaysia	G/TRIMS/N/1/MYS/1/Rev.1	14 March 1996
Mexico	G/TRIMS/N/1/MEX/1	31 March 1995
Mexico	G/TRIMS/N/1/MEX/1/Rev.1 ⁵	31 March 1995
Nigeria	G/TRIMS/N/1/NGA/1	17 July 1996
Pakistan	G/TRIMS/N/1/PAK/1	30 March 1995
Peru	G/TRIMS/N/1/PER/1	3 March 1995
Philippines	G/TRIMS/N/1/PHL/1	31 March 1995
Poland ⁶	G/TRIMS/N/1/POL/1	28 September 1995
Romania	G/TRIMS/N/1/ROM/1	31 March 1995
South Africa	G/TRIMS/N/1/ZAF/1	19 April 1995
Thailand	G/TRIMS/N/1/THA/1	30 March 1995
Uganda	G/TRIMS/N/1/UGA/1	17 June 1997
Uruguay	G/TRIMS/N/1/URY/1	31 March 1995
Uruguay	G/TRIMS/N/1/URY/1/Add.1	30 August 1995
Venezuela	G/TRIMS/N/1/VEN/1	31 March 1995

ANNEX 2

Notifications Indicating that No TRIMs Inconsistent with the Agreement on Trade-Related Investment Measures are Maintained

<u>Member</u>	<u>Document Symbol</u>	<u>Date of Communication</u>
Bolivia	G/TRIMS/N/1/BOL/1/Add.1	4 March 1999
Haiti	G/TRIMS/N/1/HTI/1	27 February 1998
Honduras	G/TRIMS/N/1/HND/1	7 July 1995
Israel	G/TRIMS/N/1/ISR/1	24 October 1996
Jamaica	G/TRIMS/N/1/JAM/1	9 June 1998
Mali	G/TRIMS/N/1/MLI/1	27 May 1997
Mauritius	G/TRIMS/N/1/MUS/1	27 March 1995
New Zealand	G/TRIMS/N/1/NZL/1	20 May 1999
Nicaragua	G/TRIMS/N/1/NIC/1	18 July 1996
Saint Lucia	G/TRIMS/N/1/LCA/1	14 February 1996
Singapore	G/TRIMS/N/1/SGP/1	9 October 1996
Slovenia	G/TRIMS/N/1/SVN/1	27 March 1995
Switzerland	G/TRIMS/N/1/CHE/1	8 August 1995
Trinidad & Tobago	G/TRIMS/N/1/TTO/1	1 April 1996
Zambia	G/TRIMS/N/1/ZMB/1	13 April 1995

ANNEX 3

**Members which have Submitted Notifications under Article 6.2 of
the Agreement on Trade-Related Investment Measures**

Argentina
Australia
Brunei Darussalam
Bulgaria
Chad
Chile
Costa Rica
Cuba
Czech Republic
Ecuador
European Community (including the member States)
Fiji
Ghana
Hong Kong, China
Iceland
India
Indonesia
Israel
Jamaica
Japan
Latvia
Liechtenstein
Mauritius
New Zealand
Nicaragua
Norway
Panama
Paraguay
Peru
Philippines
Poland
Qatar
Romania
Singapore
Slovenia
Suriname
Switzerland
Thailand
Trinidad and Tobago
Tunisia
Uganda
United States
Uruguay
Venezuela
Zimbabwe

⁴ Bolivia has subsequently submitted a notification indicating that it does not apply any trade-related investment measures that are not in conformity with the Agreement (G/TRIMS/N/1/BOL/1/Add.1).

⁴ Costa Rica has subsequently submitted a notification indicating that it intends to eliminate measures notified under Article 5.1 in advance of the expiry of the transition period (G/TRIMS/N/1/CRI/1/Add.1).

⁴ Cuba has subsequently informed the Committee that the measures notified by Cuba under Article 5.1 are no longer in force (G/TRIMS/M/3, paragraph 5).

⁴ This notification superseded Cyprus' previous one (G/TRIMS/N/1/CYP/1) of 29 June 1995.

⁴ English only.

⁴ Poland has subsequently submitted a notification indicating that it has eliminated measures notified under Article 5.1 (G/TRIMS/N/1/POL/1/Add.1).